

SENATE BILL NO. 78

INTRODUCED BY HARRINGTON, COONEY, ELLINGSON, ELLIOTT, GALLUS, HANSEN, HAWKS,
LARSON, LASLOVICH, MOSS, PEASE, ROUSH, SCHMIDT, SMITH, SQUIRES, TOOLE, WHEAT,
WILLIAMS, BERGREN, BIXBY, CALLAHAN, CAMPBELL, COHENOUR, DOWELL, DRISCOLL, EATON,
FRANKLIN, GALVIN-HALCRO, GOLIE, GRINDE, GROESBECK, HENRY, JACOBSON, JAYNE, JOPEK,
KEANE, MUSGROVE, NOONAN, PARKER, RASER, SESSO, VILLA, CLARK

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE MINIMUM HOURLY WAGE RATE TO ~~\$6.00~~
~~\$6.25~~ \$5.65 AN HOUR BEGINNING JULY 1, 2005, AND TO \$6 AN HOUR BEGINNING JULY 1, 2006. OR TO
A RATE SET UNDER FEDERAL LAW, WHICHEVER IS GREATER; AMENDING SECTION 39-3-409, MCA;
AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-3-409, MCA, is amended to read:

"39-3-409. Adoption of minimum wage rates -- exception. (1) The commissioner shall adopt rules
to establish a minimum wage that, except as provided in ~~subsection~~ subsections (2) and (3), must be the ~~same~~
greater of either:

(a) the minimum hourly wage rate as provided under the federal Fair Labor Standards Act of 1938 (29
U.S.C. 206(a)(1));; or

(b) (i) ~~\$6.00~~ ~~\$6.25~~ \$5.65 an hour BEGINNING JULY 1, 2005; OR

(ii) \$6 AN HOUR BEGINNING JULY 1, 2006.

(2) ~~The~~ (A) EXCEPT AS PROVIDED IN SUBSECTION (2)(B), THE rates established under subsection (1)
exclude ~~excluding~~ the value of tips received by the employee and the special provisions for a training wage.

(B) IF CONGRESS OR THE MONTANA LEGISLATURE INCREASES THE MINIMUM WAGE TO MORE THAN \$6 AN HOUR,
AN EMPLOYER OF A TIPPED EMPLOYEE MAY USE THE FORMULA FOR A QUALITY SERVICE ALLOWANCE PROVIDED IN
SUBSECTION (2)(C) TO EQUAL THE AMOUNT OF INCREASE PROVIDED BY CONGRESS OR THE MONTANA LEGISLATURE.

(C) UNDER THE FORMULA FOR A QUALITY SERVICE ALLOWANCE, THE EMPLOYER SHALL:

(i) INCREASE THE WAGE TO THE TIPPED EMPLOYEE BY 50% OF THE AMOUNT OF THE INCREASE APPROVED BY
CONGRESS OR THE MONTANA LEGISLATURE PURSUANT TO SUBSECTION (2)(B); AND

(II) GUARANTEE THAT THE TIPPED EMPLOYEE WILL RECEIVE THE REMAINING 50% IN TIPS.

~~(2)~~(3) The minimum wage rate for a business whose annual gross sales are \$110,000 or less is \$4 an hour."

NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2005.

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